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Message Text

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PAGE 01 TOKYO 03219 191030 Z

10
ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 NSC-10 RSC-01

CIEP-02 SAL-01 SS-14 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-09 NSAE-00 TRSE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-02 PA-03 PRS-01 USIA-12 RSR-01

/166 W
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R 190915 Z MAR 73
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 0000
INFO AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
ISEC MISSION BRUSSELS
USOECD MISSION PARIS

UNCLAS TOKYO 3219

PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/ A.
TAGS: EFIN, JA
SUBJ: TOKYO FOREX MARKET - MAR 19

SUMMARY: MARKET ANALYSTS PLEASED AT OUTCOME OF DAY' S ACTIVITIES ON TOKYO FOREX MARKET. SPOT DOLLAR CLOSED STRONGER ON MODERATELY HEAVY VOLUME. GENERALLY BELIEVED MINIMAL BANK OF JAPAN INTERVENTION INVOLVED. END SUMMARY.

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1. TOKYO FOREX MARKET OPENED TODAY FOR FIRST TIME IN TWO WEEKS. SPOT DOLLAR RATE (FOR DELIVERY NEXT DAY) OPENED AT 263 YEN PER DOLLAR. DURING MORNING SESSION DOLLAR GAINED STRENGTH WITH YEN RETURN MOVING TO 264.5 AT CLOSE OF MORNING SESSION. TRADING CONTINUED AT THIS LEVEL DURING AFTERNOON HOURS, CLOSING AT 264.9 VOLUME WAS HEAVY DURING MORNING SESSION AT APPROXIMATELY 65 MILLION DOLLARS. AFTER-NOON SESSION TOTALLED APPROXIMATELY 30 MILLION DOLLARS, WITH TOTAL FOR DAY APPROACHING 100 MILLION DOLLAR LEVEL. STRENGTH-ENING OF DOLLAR RATE HAD BEEN EXPECTED DUE TO THE REPORTEDLY OVERSOLD POSITION OF FOREX BANKS DURING RECENT TWO WEEK PERIOD.

2. TRADING IN THE FORWARD MARKET TOTALED APPROXIMATELY 55 MILLION DOLLRS. THE THREE MONTH FORWARD RATE CLOSED AT 256. UP .90 FRM LAST REPORTED CLOSE ON MARCH 1. SIX MONTH FORWARD CLOSED AT 253.0 UP 1.50 FROM CLOSE ON MARCH 1.

3. FOLLOWING IS TRANSLATION OF PORTION OF MINFIN ICHI' S PRESS CONFERENCE EVENING OF MARCH 18 FOLLOWING RETURN FROM PARIS MONETARY CONFERENCE.

Q. IT IS SAID THAT THE FLOATING OF THE YEN WILL BE CONTINUED FOR THE TIME BEING, BUT WHAT PERIOD OF TIME DOES THE EXPRESS-ION " FOR THE TIME BEING" MEAN?

A. OUR COUNTRY WILL AUTONOMOUSLY DECIDE TO RETURN TO THE FIXED EXCHANGE RATE SYSTEM IN THE LIGHT OF MOVES FOR THE STABILIZATION OF VARIOUS OTHER CURRENCIES. MINFIN ALSO SID THAT IT IS DESIRABLE TO SECURE A CLEAN FLOAT AS MUCH AS POSSIBLE, RATHER THAN INTERVENING IN THE MARKET ON A LARGE SCALE.
INGERSOLL

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*** Current Handling Restrictions *** n/a
*** Current Classification *** UNCLASSIFIED

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Subject: TOKYO FOREX MARKET - MAR 19
TAGS: EFIN, JA
To: BERN
BONN
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EB
LONDON
LUXEMBOURG

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SECSTATE WASHDC
THE HAGUE
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